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CLERK U S DISTRICT COURT	
DISTRICT OF ARIZONA	
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13  
 14 IN THE UNITED STATES DISTRICT COURT  
 15 FOR THE DISTRICT OF ARIZONA

16 **REDACTED FOR  
17 PUBLIC DISCLOSURE**

18 United States of America,  
 19 Plaintiff,  
 20 vs.  
 21 David Allen Harbour,  
 22 Defendant.

23 No. CR-19-0898-PHX-DLR

24 **SUPERSEDING INDICTMENT**

25 VIO: 18 U.S.C. § 1343  
 26 Wire Fraud  
 (Counts 1-10)  
 27 18 U.S.C. § 1341  
 28 Mail Fraud  
 (Counts 11-12)  
 18 U.S.C. § 1957  
 Transactional Money Laundering  
 (Counts 13-23)  
 26 U.S.C. § 7201  
 Tax Evasion  
 (Count 24)  
 26 U.S.C. § 7206(1)  
 False Statement  
 (Count 25)  
 26 U.S.C. § 7212(a)  
 Obstruction  
 (Count 26)  
 18 U.S.C. § 981(a)(1)(C)  
 18 U.S.C. § 982(a)(1)  
 28 U.S.C. § 2461(c)  
 Forfeiture Allegations

1 THE GRAND JURY CHARGES:

2 At all times material to this Superseding Indictment, within the District of Arizona  
3 and elsewhere:

4 **INTRODUCTION**

5 1. Beginning on or about January 2010 and continuing through July 2019, DAVID  
6 ALLEN HARBOUR (“HARBOUR”) defrauded investor-victims out of approximately  
7 \$4,382,864.01 by promoting and selling fraudulent high-yield investments, in most cases  
8 involving investments in high rate loans to consumers and start-up businesses. These loans  
9 are also known as “payday loans.” HARBOUR induced investors to provide funds by  
10 making materially false statements and omissions, orally during in-person meetings or in  
11 written solicitations, in promissory notes, self-styled contracts, engagement letters,  
12 commercial security agreements, operating agreements, and other documents. HARBOUR  
13 then used the investment funds for purposes other than what was promised to investor-  
14 victims, such as for personal living expenses to support his family’s lavish lifestyle to  
15 include, but not limited to, private golf resort membership fees, substantial personal credit  
16 card payments, extravagant parties, mortgage payments, an expensive power boat, private  
17 chartered jets, and other business ventures. In some instances, HARBOUR made *Ponzi*  
18 payments with funds received from later investor-victims to make payments to earlier  
19 investor-victims.

20 2. HARBOUR orchestrated the fraud scheme through numerous entities, including  
21 Highpointe Capital Group, LLC (HPCG); Nautical Holdings, LLC (Nautical Holdings);  
22 Pujanza Management, LLC (Pujanza); Milagro Consulting, LLC (Milagro); Oak Tree  
23 Management, LLC (Oak Tree); 21020, LLC (21020); DNA Management, LLC (DNA  
24 Management); DNA Investments, LLC (DNA Investments); NorthRock, LLC (NorthRock);  
25 AJS Management, LLC (AJS Management); and Canyon Road Holdings, LLC (Canyon  
26 Road).

27

28

## HIGH-YIELD INVESTMENT FRAUD SCHEME

3. Beginning in 2010, HARBOUR solicited investor-victims by promising excessive returns in short periods of time. HARBOUR told investors their funds would be invested in short-term, high interest rate loans to consumers and start-up businesses, also known as payday loans. HARBOUR represented he made 20% returns for his clients and assured investors investing in payday lending was not risky because the small loans were made to a diversity of consumers. Investors were falsely told their funds would be used only as short-term loans to small consumer and start-up businesses, and that the funds were secured by HARBOUR'S personal guarantees.

- a. HARBOUR set up various LLCs, such as Pujanza and NorthRock, with some investor-victims to facilitate investments in payday lending scheme. HARBOUR solicited numerous investors into a payday lending scheme and other unspecified investments known as KSQ. He concealed from investors that he was paid a 25% origination fee for their investment. After the collapse of KSQ, HARBOUR blamed the principal of KSQ, J.T. for the loss of investment funds and solicited some of the same KSQ investors and others into a fund known as Green Circle, a Native American lending entity which would finance consumer loans and generate profits. HARBOUR was the consultant and main fund-raiser of Green Circle, and his fees were dependent on the incoming cash flows he raised. HARBOUR misrepresented to investors that their principal would be paid back before he took a percentage of profits generated through the payday loans. Most investors were never told they were not in first position to receive returns. In some cases, HARBOUR convinced investors to lend him money with high rates of return. HARBOUR never paid the money back and, in some cases, made interest payments with other investors' money (i.e. *Ponzi* payments) and concealed this from investors.

b. As a result of the fraudulent investment offerings, between January of 2010 through October of 2016, victim-investors provided at least \$4,382,864.01 in investment

1 funds.

2 c. HARBOUR personally solicited investors in Arizona and other states. HARBOUR  
3 was a member of several private, luxury golf resorts located in Scottsdale, Arizona,  
4 Cabo San Lucas, Mexico, Palm Springs, California, and Harrison, Idaho.  
5 HARBOUR solicited potential investors at these golf resorts. For several victim  
6 investors, HARBOUR invited them to his vacation condominium at Gozzer Ranch  
7 Golf and Lake Club in Harrison, Idaho or his condominium in Cabo San Lucas.  
8 HARBOUR took potential investors out on his luxury boats and out to fine dining  
9 and entertainment. HARBOUR invited investors to his Skybox during Arizona  
10 State University football games. He also invited potential investors to his 16<sup>th</sup> hole  
11 Skybox at the Phoenix Waste Management Open.

12 d. Through operating agreements, contracts, promissory notes, emails, and oral  
13 statements, HARBOUR misrepresented virtually every material aspect of the  
14 purported investment opportunities, including but not limited to: the backgrounds  
15 and experience of the principals, the amount of funds actually going to the  
16 represented investment, that the investor principal would be paid back to the  
17 investor *before* HARBOUR was compensated, and that HARBOUR had invested  
18 his own personal funds into the investment that gave investors the impression that  
19 HARBOUR's own money was at risk. HARBOUR further misrepresented the  
20 guaranteed rate of return and that interest payments were coming from other  
21 investors' money in the form of *Ponzi* payments rather than proceeds from an  
22 investment.

23 **R.G. FRAUD**

24 4. HARBOUR began his fraudulent activity with victim R.G. as early as 2010. R.G.'s  
25 husband had passed away suddenly in 2009, and R.G. was subsequently provided with a  
26 life insurance check. She signed over the insurance check in the amount of \$1,001,242.67  
27 to HARBOUR, and he told her that he was going to invest the money and guaranteed a  
28

1 minimum 3% return.

2 5. At various points from 2010 to 2016, R.G. wanted access to her funds that were  
3 in HARBOUR's possession. For example, R.G.'s mother was ill, and she needed the funds  
4 for medical and housing expenses. HARBOUR would not provide the funds to her but  
5 instead, would offer numerous excuses why he was unable to meet to discuss the status of  
6 her investment. HARBOUR offered numerous other excuses during in-person meetings,  
7 phone conversations, and text message conversations. HARBOUR maintained R.G.'s trust  
8 by texting her on numerous occasions assuring her that she should not worry and that she  
9 would receive a return on her investment. From 2010 to 2019, the only return of funds R.G.  
10 received was \$62,000 on August 2, 2011, \$5,000 on June 4, 2013, and \$5,000 on August  
11 31, 2013.

12 **KSQ/J.T. FRAUD SCHEME**

13 6. Sometime in or around 2011, HARBOUR began an investment partnership with  
14 J.T., who was based in Kansas City, MS. J.T.'s payday lending entity was known as KSQ  
15 Management, LLC (KSQ). HARBOUR solicited victims to invest by promising excessive  
16 returns in short periods of time. HARBOUR told investors their funds would be invested  
17 by KSQ in short-term, high-interest rate loans known as payday loans. The investments  
18 were recorded via promissory notes with attached amortization schedules between one of  
19 HARBOUR's companies and the investor. In turn, the funds provided to KSQ were  
20 recorded as a promissory note between one of HARBOUR's entities and KSQ. In many  
21 instances, HARBOUR signed the promissory notes with personal guarantees made by him.  
22 Although this business arrangement began around 2011 and was not successful,  
23 HARBOUR would continue for years to entice investors with personal guarantees,  
24 knowing that he did not have the ability to pay on the guarantees.

25 7. The investors were also not told that HARBOUR had an arrangement with J.T. to  
26 receive a 25% finder's fee based upon the amount of the investors' funds he raised and  
27 provided to KSQ. When HARBOUR was unable to provide interest payments to investors,  
28

1 he told the investors that J.T was to blame. When investors lost their money, HARBOUR  
2 claimed (similar to what he misrepresented to R.G.) that “the change in laws by the  
3 President and Operation Chokepoint changed the Automated Clearing House (ACH) laws  
4 regarding payday lending.” At this point, HARBOUR had continued to receive his 25%  
5 finder’s fee received from KSQ while blaming KSQ and J.T. for the lack of investment  
6 payments. Most, if not all, of the promissory notes signed by the victim-investors and  
7 HARBOUR were made between the investor and one of HARBOUR’s entities, such as  
8 NorthRock or Canyon Road.

9 8. C.H. was HARBOUR’S employee who invested \$81,621.34 with HARBOUR  
10 through his entity, NorthRock, on or about December 15, 2012. C.H. had the funds in her  
11 IRA, and HARBOUR directed her to transfer the IRA to Liberty Trust Company located  
12 in Texas, and the loan to NorthRock would be serviced through Liberty Trust. HARBOUR  
13 was aware that C.H.’s husband P.H. received an inheritance of \$500,000. HARBOUR told  
14 C.H. that he would increase the interest rate on her IRA loan if she and P.H. invested the  
15 \$500,000. On February 8, 2013, C.H. and P.H. provided HARBOUR the \$500,000 to  
16 invest. HARBOUR invested the money in KSQ but did not disclose the finder’s fee he  
17 received for providing the money to KSQ. C.H. repeatedly questioned HARBOUR when  
18 she would be paid her funds back, to which HARBOUR responded that C.H. should “go  
19 ask J.T. where her money is.” HARBOUR only made minimal payments to P.H. and  
20 blamed J.T. even though HARBOUR was listed on the promissory note with P.H. and was  
21 ultimately responsible for paying the funds back.

22 9. HARBOUR provided funds to KSQ through his entities: DNA Investments,  
23 NorthRock, and Canyon Road. DNA Investments was personally-owned by HARBOUR.  
24 NorthRock was jointly-owned with M.D. Canyon Road was jointly-owned with another.  
25 HARBOUR received a finder’s fee from KSQ no matter which company provided the  
26 funds. Due to the losses sustained by KSQ, NorthRock filed bankruptcy on June 13, 2018,  
27 listing 25 investor claims totaling \$35,830,253.62.

28

1 10. Many of the KSQ investors wanted their money back and threatened to sue  
2 HARBOUR or go to the authorities. In response, HARBOUR assured many of the KSQ  
3 investor-victims they would receive a return on their investment by promising to pay the  
4 investors back through a new business investment he was working on known as Green  
5 Circle. He emailed some of the KSQ investors and provided excuses or told them funds  
6 were coming. These interest payments were not regularly-scheduled payments as dictated  
7 in the amortization schedule of the investor's promissory note but were made based on  
8 which investor complained the most.

9 11. HARBOUR continued his fraud scheme knowing that he did not disclose his  
10 finder's fee arrangement with KSQ. HARBOUR did have the ability to make some  
11 payments to the victims but instead, made substantial payments to his American Express  
12 credit card while blaming KSQ and J.T. for the failure to provide investors returns. From  
13 2011 through 2014, at least \$14,700,000 was sent to KSQ, and \$27,335,141.92 was sent to  
14 HARBOUR's bank accounts; that amount included \$6.6 million in payments to  
15 HARBOUR as a finder's fee. There were additional funds sent to KSQ either directly from  
16 investor-victims or from other HARBOUR accounts.

17 **GREEN CIRCLE FRAUD**

18 12. Following the collapse of KSQ in approximately 2014, HARBOUR began a  
19 business investment relationship with a Native American-owned entity known as Green  
20 Circle. HARBOUR solicited some of the previous KSQ investors and convinced them to  
21 invest in Green Circle. HARBOUR told some of the investors who had lost money in the  
22 KSQ scheme that he would be able to repay them with substantial returns on investments  
23 with Green Circle. Some of these investors, in an effort to recoup their losses from KSQ,  
24 decided to invest in Green Circle and sent their investment funds directly to Green Circle  
25 bank accounts instead of providing the funds directly to HARBOUR's entities similar to  
26 the KSQ venture.

27 13. In addition to the KSQ investors, HARBOUR raised funds from new investors for  
28

1 the Green Circle venture. Similar to the previous investment schemes, HARBOUR utilized  
2 promissory notes to record the financial transactions and in some instances, signed personal  
3 guarantees. The major difference in HARBOUR's actions between the KSQ scheme and  
4 the Green Circle scheme was that he kept a portion of the investor's funds that were  
5 invested and only provided a portion of the funds to Green Circle. Unlike KSQ, instead of  
6 receiving his finder's fee on the back-end, he took it on the front-end. Again, no investor  
7 knew HARBOUR was keeping a large percentage of their investment funds for his own  
8 personal compensation, nor would he have been authorized to do so.

9 14. In some instances, HARBOUR continued to randomly make *Ponzi* payments to  
10 some of the investors with other investors' funds or from sources that were not from the  
11 investment vehicle. Victim M.B., who did not invest in KSQ, was convinced to provide  
12 HARBOUR \$1 million for investment into Green Circle. HARBOUR only provided  
13 \$600,000 to Green Circle and used the remaining funds (\$400,000) at his disposal to make  
14 payments to his American Express credit card and for lavish family vacations, among other  
15 personal expenditures. Another investor, Victim R.T., invested \$500,000, and only  
16 \$55,000 went to Green Circle. Similar to M.B.'s funds, R.T.'s funds were used to pay the  
17 balance on HARBOUR's American Express credit card and make *Ponzi* payments to other  
18 investors. Despite HARBOUR's representations regarding the return on investment,  
19 investor R.T. received only minimal interest payments of \$64,571.27. For investor M.B.'s  
20 \$1 million investment, he received only \$65,000 in wire transfer payments from  
21 HARBOUR's Pujanza Management bank account from June 2015, to January 2017.

22 15. During the Green Circle fraud scheme, HARBOUR transitioned from raising  
23 individual investor funds to securing a Revolving Credit Promissory Note, executed June  
24 19, 2015, for Green Circle from FinTech Financial, LLC (all of FinTech's interest was  
25 assigned to Princeton Alternative Income Fund (PAIF), an investment fund established on  
26 June 25, 2015). PAIF provided funds via draw requests to Green Circle for payday loans.  
27 The draw requests were submitted by Green Circle employees and were reviewed by PAIF  
28

1 prior to funding. Per the agreement, HARBOUR had to provide certain financial  
 2 information to PAIF for their review that would be material to the funding decision for  
 3 each draw request. HARBOUR misrepresented financial projections and Monthly  
 4 Borrowing Base Certificates regarding the financial condition and operations of Green  
 5 Circle. PAIF began funding Green Circle in July 2015.

6 16. From the beginning of the business arrangement with PAIF, HARBOUR  
 7 manipulated the records to his advantage in order to entice PAIF to fund the draw requests.  
 8 The records included a “Borrowing Base” spreadsheet that gave a false impression of the  
 9 lending portfolio and the status of Green Circle. For example, per the guidelines of  
 10 funding, customers who were in arrears with the Green Circle payday lending were barred  
 11 from receiving any new loans. Instead, HARBOUR directed that borrowers who were  
 12 about to be in default for payments be issued new loans that absorbed the old loans.  
 13 HARBOUR misrepresented to PAIF that Green Circle was a functional and profitable  
 14 portfolio and that the loans were performing and not in a state of default. PAIF relied on  
 15 this information for their lending decision and would not have provided funds if the  
 16 borrowers’ loan status was accurately represented. HARBOUR never disclosed to  
 17 investors that the loans were non-performing. HARBOUR’s business relationship ended  
 18 with Green Circle upon PAIF learning of a Securities and Exchange Commission (SEC)  
 19 investigation into HARBOUR and the raising of investment funds for Green Circle.

20 **INVESTOR-VICTIMS PAYMENTS TO HARBOUR**

21 17. The investor-victims made investments of \$3,282,864.01 primarily related to loans  
 22 to small businesses or start-up businesses. In addition, HARBOUR made unauthorized  
 23 withdrawals of investor-victim funds in the amount of approximately \$1,100,000 from the  
 24 lending entity Green Circle.

Name	Account	Amount	Deposit Date (on or about)
R.G.	Highpointe Capital Group	\$1,001,242.67	03/22/2010

C.H.	NorthRock	\$81,621.34	12/15/2012
P.H.	DNA Investments	\$500,000.00	2/8/2013
A.W.	Canyon Road, LLC	\$100,000.00	2/18/2014
SNI Fund 1/ R. T.	Oak Tree Management LLC	\$500,000.00	07/30/2014
M.B.	Pujanza Management LLC	\$1,000,000.00	12/02/2014
D.W.	Canyon Road, LLC	\$100,000.00	1/1/2015
PAIF	Oak Tree Management	\$1,100,000.00	08/11/2015
Total		\$4,382,864.01	

**COUNTS 1– 10  
WIRE FRAUD  
(18 U.S.C. § 1343)**

18. The factual allegations in paragraphs 1 through 17 are incorporated by reference and re-alleged as though fully set forth herein.

19. Beginning at a time unknown to the Grand Jury, but at least as early as in or about January of 2010, and continuing to a time unknown to the Grand Jury, but to at least in or about July of 2019, in the District of Arizona and elsewhere, Defendant HARBOUR, individually and doing business under the entities described above, along with other individuals and entities known and unknown to the Grand Jury, knowingly and willfully devised and intended to devise a scheme and artifice to defraud and to obtain money and property from investor-victims by means of materially false and fraudulent pretenses and representations, and by the concealment and omission of material facts.

20. On or about the dates listed below, for the purpose of executing and attempting to execute the scheme or artifice to defraud and to obtain money and property, HARBOUR, individually and doing business under the entities described above, knowingly transmitted and caused to be transmitted, by means of wire and radio communications in interstate

1 commerce, certain writings, pictures, signals, and sounds, to and from the District of  
 2 Arizona and elsewhere, as set forth below, with each instance being a separate count of this  
 3 indictment:

4 Count	5 Wire Date (On or About)	6 Sender	7 Recipient (or Receiving Bank)	8 Item Sent
1	07/30/2014	SNI Fund 1/R.T.	Oak Tree Management NT 1790	\$500,000.00
2	12/02/2014	M.B.	Pujanza Management, LLC BMO 5244	\$1,000,000.00
3	08/11/2015	Green Circle	Oak Tree Management BMO 1964	\$1,100,000.00
4	12/31/2015	Harbour Family Pujanza Management BMO x5244	M.B.	\$8,125.00
5	04/04/2016	Harbour Family Pujanza Management BMO x5244	M.B.	\$8,125.00
6	07/19/2016	Harbour Family Pujanza Management BMO x5244	M.B.	\$8,125.00
7	10/17/2016	Harbour Family Pujanza Management BMO x5244	M.B.	\$8,125.00
8	01/20/2017	Harbour Family Pujanza Management BMO x5244	M.B.	\$8,125.00

1				\$10,942.24
2	9	03/15/2016	GC BMO x9606	R.T./C.I.F.
3				\$11,062.49
4	10	06/15/2016	GC BMO x9606	R.T./C.I.F.

5 This conduct was in violation of 18, U.S.C. § 1343.

6 **COUNTS 11-12**  
7 **(Mail Fraud)**  
8 **(18 U.S.C. § 1341)**

9 21. The factual allegations in paragraphs 1 through 20 are incorporated by reference and  
re-alleged as though fully set forth herein.

10 22. Beginning at a time unknown to the Grand Jury, but at least as early as in or  
about January of 2010, and continuing to a time unknown to the Grand Jury, but to at  
least in or about July of 2019, in the District of Arizona and elsewhere, defendant  
HARBOUR, individually and doing business under the entities described above, along  
with others known and unknown to the Grand Jury, did knowingly and willfully devise  
and intend to devise a scheme or artifice to defraud and to obtain money and property by  
means of materially false and fraudulent promises, pretenses, and representations, and the  
concealment of material facts.

11 23. On or about the dates listed below, in the District of Arizona and elsewhere, for  
the purpose of executing and attempting to execute the aforesaid scheme or artifice to  
defraud and to obtain money by means of materially false and fraudulent pretenses,  
representations, and promises, defendant HARBOUR, along with others known and  
unknown to the Grand Jury, placed and caused to be placed in a post office and  
authorized depository for mail matter, to be sent and delivered by the United States Postal  
Service, and deposited and caused to be deposited for delivery by a private and commercial  
interstate carrier, for delivery by commercial interstate carriers, as shown below for each  
count, from the District of Arizona, to Texas, each such instance being a separate count  
of this Indictment:

Count	Payor Account	Check Date	Posted Date	Item Mailed	Amount
11	Highpointe Capital Group, LLC BMO x7406	4/22/2016	4/28/2016	Check # 3231 to Liberty Trust Co. FBO: A.W. in the amount of \$7,500.	\$7,500.00
12	Highpointe Capital Group, LLC BMO x7406	5/3/2016	5/9/2016	Check # 3242 IRA Fee TC003721 C.H. in the amount of \$255.00	\$255.00

This conduct was in violation of 18, U.S.C. § 1341.

**COUNTS 13 – 23**  
**TRANSACTIONAL MONEY LAUNDERING**  
**(18 U.S.C. § 1957)**

24. The factual allegations in paragraphs 1 through 23 are incorporated by reference and re-alleged as though fully set forth herein.

25. On or about the dates listed below, Defendant HARBOUR, individually and doing business under the entities described above, along with other individuals and entities known and unknown to the Grand Jury, knowingly engaged and attempted to engage in the following monetary transactions in the United States in criminally derived property of a value exceeding \$10,000, derived from specified unlawful activity, namely wire fraud in violation of 18 U.S.C. § 1343, with each instance being a separate count under this indictment:

Count	Date of Transaction (on or about)	Transaction Amount	Financial Institution	Description of Transaction
13	08/05/2014	\$34,665.33	Northern Trust	Check #1238 from DNA Investments LLC NT 9412 to D. S.
14	08/08/2014	\$37,500.00	Northern Trust	Transfer from Oak Tree NT 1790 to DNA Management NT 3388

1	15	08/08/2014	\$37,500.00	Northern Trust	Transfer from DNA Management NT3388 to Highpointe Capital Group, LLC BoA 3354
2	16	08/08/2014	\$37,500.00	Bank of America	Transfer from Highpointe Capital Group LLC BoA 3354 to Herrington Park 1, LLC
3	17	08/21/2014	\$12,083.90	Northern Trust	Check #1542 from 21020 LLC NT 5180 to JRG
4	18	08/27/2014	\$142,785.88	Northern Trust	ACH Debit Payment from DNA Investments, LLC NT 9412 to HARBOUR's American Express
5	19	08/28/2014	\$13,682.69	Bank of America	Transfer from Highpointe Capital Group LLC BoA 3354 to Employment Edge
6	20	12/04/2014	\$223,121.88	Northern Trust	ACH Debit Payment from DNA Management NT 3388 to HARBOUR's American Express
7	21	8/12/2015	\$915,000.00	BMO Harris	Oak Tree Mn BMO 1964 to Milagro BMO 5236
8	22	08/13/2015	\$750,000.00	Bank of America	Milagro BMO 5236 to David HARBOUR BoA 8017
9	23	09/02/2015	\$500,000.00	Bank of America	David HARBOUR BoA8017 to FTC Receiver LEC

24                   This conduct was in violation of 18, U.S.C. § 1957.

25  
 26                   **COUNT 24**  
 27                   **(Tax Evasion)**  
 28                   **(26 U.S.C. § 7201)**

1       26. From in or around February 2016, through in or around June 2018, in the District  
2 of Arizona and elsewhere, Defendant HARBOUR, a resident of Maricopa County, AZ,  
3 willfully attempted to evade and defeat the payment of income taxes due and owing by  
4 him to the United States of America, for the calendar year 2012 by committing the  
5 following affirmative acts, among others:

6       a. On April 14, 2016, HARBOUR provided IRS a signed Form 433-A and financial  
7 documents that intentionally omitted bank records held under his control.

8       b. On April 26, 2017, HARBOUR provided IRS a second signed Form 433-A that  
9 contained materially false statements including information regarding stated  
10 employment, financial information, and assets and liabilities. For example,  
11 HARBOUR failed to disclose bank records held under his control, ownership  
12 positions of his entities and those entities held under the name of his wife and/or  
13 entities owned by her. Furthermore, HARBOUR did not disclose the ownership  
14 arrangement of his personal residence, and he did not disclose the possession and  
15 use of an American Express credit card held under the name of a nominee. An  
16 analysis of HARBOUR's American Express credit card activity for the period of  
17 January 1, 2017, to April 30, 2017, indicated \$277,706.49 in payments were  
18 made. In addition, during the following two months (May and June 2017),  
19 HARBOUR paid American Express a total of \$209,131.36. None of this  
20 information was properly disclosed on the Form 433-A

21       c. HARBOUR also falsely listed his position with a company known as Volente on  
22 the Form 433-A. HARBOUR misrepresented to the IRS that he and his wife did  
23 not have any bank accounts, and thus, he was paid by Volente via company credit  
24 card. From January 2018, through June 2018, HARBOUR had control over at  
25 least 3 accounts with deposits to these accounts totaling over \$350,000.

26

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1 d. In or around October 2020, HARBOUR received a loan from D.D. to pay a portion  
2 of his outstanding tax due and owing for tax years 2005,2006, and 2011. The loan  
3 was taken against the collateral of the ALH Spousal Lifetime Access Trust, dated  
4 March 13, 2017, the same trust that was not disclosed to the IRS Revenue  
5 Officer. As of June 8, 2018, the last meeting HARBOUR had with the IRS Revenue  
6 Officer his s tax due and owing, to include penalties and interest, totals \$179,012.19  
7 for 2012. As of November 24, 2020, HARBOUR's tax due and owing, to include  
8 penalties and interest, totals \$4,232,294.03 for 2012.  
9  
10

11 | This conduct was in violation of 26, U.S.C. § 7201.

**COUNT 25  
(False Statement)  
(26 U.S.C. § 7206(1))**

17. On or about April 26, 2017, in the District of Arizona, defendant HARBOUR did  
18 willfully make and subscribe an Internal Revenue Service Form 433-A, which was  
19 verified by a written declaration that it was made under the penalties of perjury, which  
20 was filed with the Internal Revenue Service, and which he did not believe to be true and  
21 correct as to every material matter in that the defendant HARBOUR did not disclose on  
22 Form 433-A bank accounts he held at JP Morgan Chase Bank, N.A., nor the existence of  
23 of the ALH Spousal Lifetime Access Trust, dated March 13, 2017, or the ownership of  
24 entities held by the trust, the ownership agreement regarding his personal residence, and  
25 falsely stated that he was unemployed when he was in fact the 50% owner of Volente. The  
26 Form 433-A was updated and re-filed with the IRS Revenue Officer on or about June 6,  
27 2018. HARBOUR submitted false statements again in regard to his employment as a

1 salesperson, the ownership status of his primary residence, and his control of bank  
2 accounts. HARBOUR failed to disclose on the form 433-A that he and his wife had bank  
3 accounts at BMO Harris, JP Morgan Chase Bank, N.A., and Desert Financial Credit Union.  
4 Lastly, HARBOUR failed to disclose various items of jewelry, a JP Morgan Chase Bank,  
5 N.A., and the existence of the ALH Spousal Lifetime Access Trust,  
6

7 This conduct was in violation of Title 26, U.S.C. § 7206(1).

8 **COUNT 26**  
9 **(Obstruction)**  
10 **(26 U.S.C. § 7212(a))**

11 28. From in or around March 2017, through in or around June 2018, in the  
12 District of Arizona, defendant HARBOUR did corruptly endeavor or attempt to endeavor  
13 to obstruct and impede the due administration of the Internal Revenue laws by providing  
14 the following false or misleading information to a representative of the Internal Revenue  
15 Service: (1) HARBOUR provided two Form 433-As, which contained false information;  
16 (2) HARBOUR misrepresented his wife's employment; (3) HARBOUR misrepresented  
17 his own employment status; and (4) HARBOUR misrepresented his ownership status of  
18 his residence.

19 This conduct was in violation of 26, U.S.C. §7212(a).

20 **FORFEITURE ALLEGATIONS**

21 29. The Grand Jury realleges and incorporates the allegations of Counts 1 through 23  
22 of this Superseding Indictment, which are incorporated by reference as though fully set  
23 forth herein.

24 30. Pursuant to Title 18, United States Code, Sections 981 and 982, Title 21, United  
25 States Code, Section 853 and Title 28, United States Code, Section 2461(c) and upon  
26 conviction of one or more of the offenses alleged in Counts 1 through 23 of this  
27 Superseding Indictment, the defendant(s) shall forfeit to the United States of America all

1 right, title, and interest in any and all property, real or personal, involved in such offense(s),  
2 or any property traceable to such property involved in the offense(s), or conspiracy to  
3 commit such offense(s), including the following: (a) all money or other property that was  
4 the subject of each transaction, transportation, transmission or transfer in violation of a  
5 statute listed in Title 18, United States Code, Section 982; (b) all other property constituting  
6 proceeds obtained as a result of those violations; and (c) all property used in any manner  
7 or part to commit or to facilitate the commission of those violations including, but not  
8 limited to the sum of money representing the amount of money involved in the offense(s)  
9 and the property named below.

- 10 a. A sum of money equal to at least \$4,382,864.01 in United States currency,  
11 representing the amount of money involved in the offenses.
- 12 b. All right, title, and interest in any and all personal property, involved in or  
13 traceable to any transaction set forth in Counts 1 through 23 of this Superseding  
14 Indictment. Such property includes, but is not limited to, the following personal  
15 property:
  - 16 1. 18 Karat White Gold Diamond Cuff Bracelet
  - 17 2. 18 Karat Yellow and White Gold Custom Kansas University Jayhawk Pendant  
18 and Cable Chain
  - 19 3. Scott Kay Engraved Platinum Classic Band Stamped PT950
  - 20 4. Hamra Jewelers Engraved Custom Platinum Diamond Ring
  - 21 5. Patek Philippe Stainless Steel Nautilus Watch and Steel Bracelet with Serial  
22 Number A384EAP
  - 23 6. Engraved Custom Platinum Eternity Band
  - 24 7. Rolex Day-Date Pearlmaster Watch with Serial Number G527156 and  
25 Masterpiece Bracelet
  - 26 8. Stainless Navitimer Gents Breitling Watch with Serial Number 422425 and  
27 Polished Navitimer Heritage Bracelet

9. Cartier Pasha Seatimer Chronograph Watch with Serial Number 604011MX and Black Rubber Bracelet

If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- (1) cannot be located upon the exercise of due diligence,
- (2) has been transferred or sold to, or deposited with, a third party,
- (3) has been placed beyond the jurisdiction of the court,
- (4) has been substantially diminished in value, or

(5) has been commingled with other property which cannot be divided without difficulty, it is the intent of the United States to seek forfeiture of any other property of said defendant up to the value of the above-described forfeitable property, pursuant to Title 21, United States Code, Section 853(p).

All in accordance with Title 18, United States Code, Sections 981 and 982, Title 21, United States Code, Section 853, Title 28, United States Code, Section 2461(c), and Rule 32.2, Federal Rules of Criminal Procedure.

A TRUE BILL

S/  
FOREPERSON OF THE GRAND JURY  
Date: November 24, 2020

MICHAEL BAILEY  
United States Attorney  
District of Arizona

S/  
KEVIN M. RAPP  
COLEEN SCHOCH  
Assistant U.S. Attorneys